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UNITED STATES BANKRUPTCY COURT

DISTRICT OF NEVADA

In re:

THE RHODES COMPANIES, LLC, aka
"Rhodes Homes," et al.,

Reorganized Debtors

Case No.: 09-14814-LBR
(Jointly Administered)

Chapter 11

**STIPULATION AND ORDER TO STAY
PROCEEDINGS**

☒ Affects all Debtors

☐ Affects the following Debtors

1
2 James M. Rhodes (“**Rhodes**”), through counsel, Fabian & Clendenin, and the above-
3 captioned reorganized debtors (collectively, the “**Reorganized Debtors**”), through counsel,
4 Kolesar & Leatham, Chtd. and Akin Gump Strauss Hauer & Feld LLP, respectfully submit this
5 Stipulation and Order to Stay Proceedings (the “**Stipulation**”). Rhodes and the Reorganized
6 Debtors are collectively referred to herein as the “Parties.” The Parties stipulate and agree as
7 follows:

8 WHEREAS, on July 17, 2009, Rhodes filed proof of claim No. 814-33 (“**Proof of Claim**
9 **No. 814-33**”) in the amount of \$10,598,000.00 seeking: (i) the reimbursement of taxes in the
10 amount of \$9,729,151.00 (the “**Taxes**”) paid by Rhodes for the 2006 tax year (the “**Tax Claim**”);
11 and (ii) \$868,849.00 advanced to Greenway Partners, LLC (“**Greenway Partners**”) (the
12 “**Greenway Partners Claim**” and, together with the Tax Claim, the “**Claims**”).

13 WHEREAS, on May 27, 2010, the Reorganized Debtors filed an objection (the
14 “**Objection**”) to Proof of Claim No. 814-33 alleging, among other things, that: (i) Rhodes was not
15 entitled to reimbursement of the Taxes; and (ii) the evidence attached to the Proof of Claim No.
16 814-33 did not support allowance of the Claims. Additionally, the Reorganized Debtors indicated
17 that contemporaneously with the filing of their Objection they were amending their schedules and
18 statements (together with the amended schedules and statements, the “**Statements**”) to remove
19 certain scheduled claims (the “**Scheduled Claims**”).

20 WHEREAS, on June 17, 2010, Rhodes filed an opposition (the “**Opposition**”) to the
21 Objection arguing, among other things, that: (i) the Claims should be allowed in the amounts set
22 forth in Proof of Claim 814-33; and (ii) the Reorganized Debtors were not entitled to amend the
23 Statements after confirmation of the Third Amended Modified Plan of Reorganization Pursuant to
24 Chapter 11 of the Bankruptcy Code for The Rhodes Companies, LLC, *et al.* (the “**Plan**”).

25 WHEREAS, on or about August 24, 2010, the Court held a status conference during
26 which the Parties agreed, among other things, that this matter should be bifurcated with respect

1 to: (1) Rhodes' entitlement to the Tax Claim; and (2) discovery, if necessary, to support the
2 amount of the Tax Claim, allowance of the Greenway Claim, and all issues regarding the
3 Scheduled Claims, including the Reorganized Debtors' ability to amend the Statements after
4 confirmation of the Plan.

5 WHEREAS, on November 4, 2010, the Court held a hearing on the Objection to the Tax
6 Claim.

7 WHEREAS, on November 16, 2010, the Court entered its *Order Sustaining Reorganized*
8 *Debtors' Objection to James Rhodes' Entitlement to the Tax Claim Found in Proof of Claim No.*
9 *814-33* (the "**Order**").

10 WHEREAS, on November 30, 2010, Rhodes filed: (1) *James Rhodes' Notice of Appeal*
11 from the Order; and (2) *James Rhodes' Statement of Election to Appeal to the United States*
12 *District Court for the District of Nevada* (collectively, the "**Appeal**") [District Case No. 2:10-cv-
13 02101].

14 WHEREAS, Rhodes and the Reorganized Debtors have been in settlement negotiations
15 and discussions regarding the Appeal and the remaining claims. As a result, in order to focus the
16 Parties attention and resources toward possible settlement, the Parties have agreed to the
17 following as set forth below.

18 **IT IS HEREBY STIPULATED AND AGREED**, by and between the undersigned
19 counsel for the Parties, as follows:

20 1. All proceedings, dates, and deadlines in this matter, including all dates and
21 deadlines with respect to the Appeal, are stayed and suspended until February 15, 2011.

22 2. Should settlement fail for any reason, the Parties shall submit a proposed
23 scheduling order on or before February 15, 2011.

24 **IT IS SO ORDERED.**

1 DATED this ____ day of _____, 20____.

2
3 BY THE COURT:

4
5 _____
6 Hon. Linda B. Riegler
7 United States Bankruptcy Judge

8
9 Prepared and respectfully submitted by:

10 **FABIAN & CLENDENIN, P.C.**

**AKIN GUMP STRAUSS HAUER & FELD
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